

Exhibit B

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

TRANSCRIPT OF HEARING
BEFORE THE HONORABLE KAREN B. OWENS
UNITED STATES BANKRUPTCY JUDGE

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1 MATTERS GOING FORWARD:

2 First Amended Joint Prepackaged Chapter 11 Plan of Reorganization of
3 Clover Technologies Group, LLC and Its Debtor Affiliates [Docket No.
4 121; Filed 1/17/2020]

5 **Ruling: 13**

6 Debtors' Motion for Entry of Interim and Final Orders (I)
7 Authorizing Postpetition Use of Cash Collateral, (II) Granting
8 Adequate Protection to the Secured Parties, (III) Modifying the
Automatic Stay, and (IV) Scheduling a Final Hearing [Docket No. 8;
Filed 12/17/2019]

9 **Ruling: 14**

10 Debtors' Motion Seeking Entry of Interim and Final Orders
11 Authorizing the Debtors to (I) File a Consolidated List of Creditors
in Lieu of Submitting a Separate Mailing Matrix for Each Debtor,
12 (II) File a Consolidated List of the Debtors' Thirty Largest
Unsecured Creditors, (III) Redact Certain Personal Identification
Information for the Debtors' Employees and European Union Member
Countries' Citizens, and (IV) Limiting Notice Required Under
Bankruptcy Rule 2002 [Docket No. 17; Filed 12/17/2019]

13 **Ruling: 24**

14	15 <u>EXHIBITS:</u>	16 <u>ID</u>	17 <u>Rec'd</u>
16	Declaration of Angela Tsai	5	
17	Declaration of Richard Morgner	5	
18	Declaration of Marc Liebman	5	

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1 (Proceedings commenced at 11:05 a.m.)

2 THE CLERK: All rise.

3 THE COURT: Good morning. Please be seated.

4 MR. LATONA: Good morning, Your Honor.

5 THE COURT: Good morning.

6 MR. LATONA: For the record Dan Latona of Kirkland
7 & Ellis on behalf of the debtors. It's a pleasure to be back
8 in front of Your Honor so soon.

9 I am joined in the courtroom today by my
10 colleagues Matthew Fagan and Francis Petrie from Kirkland &
11 Ellis, and Morton Branzburg and Domenic Pacitti from Klehr
12 Harrison. Also in the courtroom today are the debtor's
13 declarants. I'd like to introduce Ms. Angela Tsai, the
14 director of corporate restructuring from Stretto, the
15 debtor's claims and noticing and noticing agent; Mr. Richard
16 Morgner, managing director from Jeffries, the debtor's
17 investment banker; and Mr. Marc Liebman, managing director of
18 Alvarez & Marsal, the debtor's restructuring advisor.

19 THE COURT: Good morning to everyone. Thank you
20 for those introductions.

21 MR. LATONA: Of course, Your Honor. Each of those
22 declarants submitted declarations in support of confirmation
23 at Docket Numbers 114, 115 and 116 respectively. And at this
24 time the debtors would like to move those declarations into
25 evidence.

1 THE COURT: Okay.

2 MR. LATONA: Of course, each of the declarants is
3 in the courtroom today should anyone wish to cross-examine
4 them.

5 THE COURT: Okay. Does anyone object to the
6 admission of the three declarations found at Docket Numbers
7 114, 115 and 116?

8 (No verbal response)

9 MR. LATONA: Thank you, Your Honor.

10 THE COURT: Hearing nothing they are moved into
11 evidence subject to the parties wishes to cross-examine.

12 (Declaration of Angela Tsai, admitted)

13 (Declaration of Richard Morgner, admitted)

14 (Declaration of Marc Liebman, admitted)

15 MR. LATONA: Of course. Thank you, Your Honor.

16 THE COURT: Thank you.

17 MR. LATONA: Also in the courtroom today are Mr.
18 Michael Cohen and Matthew Porcelli from the law firm of
19 Gibson Dunn & Crutcher representing the ad hoc group of term
20 loan lenders; Mr. Ira Herman from Blank Rome who represents
21 the term loan administrative agent; and, of course, Ms. Jane
22 Leamy from the Office of the United States Trustee; also Ms.
23 Laura Davis Jones from Pachulski, the ad hoc group's local
24 counsel.

25 Your Honor, the debtors filed an amended agenda

1 this morning at Docket Number 139. I have a hard copy in the
2 courtroom if you would like, also a hard copy of the
3 presentation currently on the monitor. If I may?

4 THE COURT: Sure. Thank you. And thank you for
5 changing the hearing time to accommodate my schedule. I
6 greatly appreciate it. I had to attend active shooter
7 training, which is not a pleasant thing. I rather have been
8 here.

9 MR. LATONA: Understood, Your Honor.
10 Unfortunately, a sign of the times.

11 THE COURT: Yes, it is.

12 MR. LATONA: So, again, Your Honor, as I mentioned
13 earlier, it's a pleasure to be back in front of Your Honor so
14 soon. It is truly an exciting day for the debtors and their
15 employees, the debtor's advisors and all of the debtor's
16 stakeholders as the debtors are poised to execute on the
17 third leg of their restructuring process.

18 As Your Honor is aware, in July of 2019 the
19 debtors and the ad hoc group engaged in good faith and arm's
20 length negotiations regarding the contours of a comprehensive
21 restructuring solution. Those discussions ultimately
22 culminated in the execution of the restructuring support
23 agreement in late November. That restructuring support
24 agreement contemplated three prongs of the debtor's
25 restructuring process, both of which you've heard of from Mr.

1 Sussberg at the first day hearing.

2 The first was the acquisition of the Teleplan
3 business which allows the debtor's wireless business to
4 expand their reach internationally, access new Blue Chip
5 customers, thereby diversifying their customer base, and
6 focusing on their core strengths going forward.

7 The second prong of that restructuring transaction
8 occurred shortly before the filing of these Chapter 11 cases
9 which was the sale of the imaging business to Norwest Equity
10 Partners for \$215 million dollars. It resulted in a partial
11 pay-down of the debtor's prepetition term loan of
12 approximately 196 million.

13 Those two steps were the initial operational
14 restructuring of the debtor's business. And now the debtors
15 are poised to execute on the third step which is the
16 confirmation of this prepackaged plan and approval of the
17 related disclosure statement. As Your Honor is aware, the
18 debtors came into these Chapter 11 cases with a significant
19 amount of support from their term loan lenders, the
20 restructuring support agreement carried the support of 70
21 percent of the aggregate amount of term loan lenders at that
22 time. The debtors began solicitation of the plan on December
23 13th shortly before the filing of these Chapter 11 cases, and
24 proceeded with solicitation in accordance with the
25 solicitation order entered by Your Honor at the first day

1 hearing.

2 The voting period closed on January 15th,
3 approximately 33 days after the beginning of solicitation.
4 As of the close, as you will see later, both voting classes
5 voted unanimously to accept the plan. Also on January 15th
6 the objection deadline passed. There were no formal
7 objections filed on the docket. The debtors did resolve
8 certain informal objections, most notably with the United
9 States Trustee, which I will walk through shortly in the
10 presentation.

11 So, what did these voting creditors and interest
12 holders vote on. The plan today implements a comprehensive
13 balance sheet restructuring which substantially de-levers the
14 debtor's balance sheet by approximately 360 million by
15 equitizing all but \$80 million dollars of the debtor's
16 prepetition term loans which will be given back to the ad hoc
17 term loan lenders in the form of the take-back term loan
18 facility. And because of that material concession by the
19 term loan lenders general unsecured creditors are unaffected,
20 reinstated and unimpaired by virtue of these Chapter 11
21 cases.

22 The plan also provides a recovery to the existing
23 equity holders in the form of new warrants in the reorganized
24 debtor's common stock. Again, this is the product of months
25 of hard-fought, good faith and arm's length negotiations

1 between the debtors, the term loan lenders, and many of their
2 key stakeholders.

3 As set forth in the voting report, Your Honor, you
4 see that both voting classes, Class 3 and Class 7, voted
5 unanimously to accept the plan. Those voting numbers in
6 Class 3 represent a tremendous amount of participation from
7 the debtor's prepetition term loan lenders greater than 90
8 percent of voting members and total dollar amount voted on
9 this plan of reorganization with every voting creditor in
10 that class voting to accept. We also had substantial
11 participation from Class 7 existing equity interest voting to
12 unanimously accept the plan.

13 The debtors filed an amended plan at Docket Number
14 121 that makes several changes that resolve concerns from the
15 United States Trustee. What I would propose to do for Your
16 Honor is walk through those changes briefly to let you know
17 what they were.

18 THE COURT: Okay.

19 MR. LATONA: The first change is to two defined
20 terms for release party and releasing party. After
21 discussing with the United States Trustee the debtors amended
22 and revised their plan to carve-out voters that abstain from
23 voting on the plan, and those who objected and rejected the
24 plan from the debtor's release provisions.

25 The next change was in Article 5(b) and Article

1 7(a). These are substantially similar changes that provide
2 for holders of claims who are required to file proof of claim
3 as a result of rejected contracts or unexpired leases to seek
4 leave of the court to file a late proof of claim.

5 Lastly, change in Article 8(e) provides that until
6 holders of claims that are riding through the Chapter 11
7 cases are paid in full or as, otherwise, agreed to between
8 such holder and the debtors the release and injunction
9 provisions in the plan will not apply until that time.

10 So, as you can see, Your Honor, with no formal or
11 informal objections unanimous voting classes accepting the
12 plan, general unsecured claims riding through and being
13 unaffected this is truly the result of an overwhelming amount
14 of work and hard hours by everyone in this courtroom, by Your
15 Honor, her staff, but also a number of people who are not in
16 this courtroom who put in long hours and hard work, and
17 definitely deserve to be recognized in connection with this
18 plan and this implementation here.

19 So, unless Your Honor has any questions on the
20 amended plan what I would propose to do is walk through a few
21 of the 1129 requirements. Most are set forth in the debtor's
22 memorandum, I believe in the Morgner declaration, the Liebman
23 declaration, and the voting report, and the disclosure
24 statement and related exhibits.

25 THE COURT: That's fine. I have no questions.

1 MR. LATONA: So, as has been mentioned, at the
2 first day hearing, on the record here and in all of the
3 debtor's confirmation pleadings the plan is truly the result
4 of an overwhelming amount of consensus, hard work and good
5 faith resulting in the culmination of all three restructuring
6 steps including the Teleplan acquisition, the imaging sale
7 and the confirmation of the prepackaged Chapter 11. And as
8 set forth in the Liebman declaration, the debtor's memorandum
9 and the disclosure statement liquidation analysis. This is
10 truly the best outcome for all creditors of the debtor's
11 capital structure, and all of their stakeholders.

12 As mentioned in the liquidation analysis, each
13 holder under this plan is receiving significantly more than
14 it would if the debtors were to liquidate in Chapter 11. In
15 fact, were we to go into a Chapter 11 general unsecured
16 creditors would likely not receive any too little recovery.

17 Lastly, as set forth in the debtor's confirmation
18 pleadings and the financial projections, as part of this
19 transaction and substantial deleveraging, and also by virtue
20 of the debtor's Teleplan acquisition and imaging sale,
21 allowing both of those businesses to focus on their core
22 strengths going forward the debtor's wireless business here
23 is optimizing their capital structure, streamlining their
24 operations and are poised to execute on their business plan
25 on a go-forward basis and truly achieve success as a result

1 of all this hard work by the debtor's management, by the
2 debtor's stakeholders and advisors.

3 So, unless Your Honor has any questions we would
4 respectfully submit that the disclosure statement be approved
5 as having adequate information and the plan be confirmed.

6 THE COURT: Okay. Does anyone else wish to be
7 heard in connection with the debtor's confirmation and
8 disclosure statement order?

9 (No verbal response)

10 THE COURT: Okay. Having heard nothing, I have
11 reviewed the plan and related documents, and based on the
12 record, including the three declarations that were moved into
13 evidence today, and the presentation, of course, that was
14 just made in support of confirmation and approval of the
15 disclosure statement, I am prepared to approve the disclosure
16 statement and confirm the plan today, and enter the
17 confirmation order; however, I do have one requested change
18 to the form of confirmation order that was submitted.

19 MR. LATONA: Of course.

20 THE COURT: On Page 14, Paragraph 30 I'd like you
21 to remove that paragraph. I am prepared to approve the
22 third-party releases today on the record that was presented;
23 however, I am not prepared to enter the form of order with
24 this paragraph in the confirmation order. I don't think you
25 need it. You can correct me if I'm wrong, but I would like

1 you to remove it.

2 MR. LATONA: Of course, Your Honor. We will
3 revise and submit a revised proposed order shortly after.

4 THE COURT: Okay.

5 MR. LATONA: Thank you, Your Honor.

6 THE COURT: Thank you.

7 MR. LATONA: At this time I would like to cede the
8 podium to my colleague, Mr. Petrie. He will address the
9 remaining items on the agenda. I'd like to thank you again
10 for your time.

11 THE COURT: Thank you.

12 All right. Good morning. I think we have, what,
13 cash collateral and the creditor matrix motion left?

14 MR. PETRIE: Correct. I will be representing the
15 balance of the agenda which has now become quite truncated
16 thanks to your Chambers entering almost everything yesterday
17 on CNO or COC.

18 THE COURT: Thank you for uploading those orders.

19 MR. PETRIE: Of course. Thank you for entering
20 them.

21 So, the first item I will be taking up is the
22 debtor's final cash collateral order which is Number 13 on
23 the agenda. This order represents the consensual agreement
24 to use the lenders cash collateral that was described in
25 detail at the first day hearing. It contains comments from

1 parties in interest. The form of proposed order has been
2 circulated and filed publicly, and has garnered no
3 objections. All of the changes in the redline reflect the
4 fact that this is now on a final basis.

5 Does Your Honor have any questions?

6 THE COURT: I do not. Does anyone else wish to be
7 heard in connection with the final cash collateral order?

8 (No verbal response)

9 THE COURT: All right. Hearing none I am prepared
10 to -- I have reviewed the revised proposed form of order and
11 based on the record that was made in connection with the
12 first day hearing I am prepared to enter the revised proposed
13 form of order. If it's been uploaded I will do so after the
14 hearing today.

15 MR. PETRIE: Thank you, Your Honor.

16 So, Your Honor, with that we have reached the only
17 contested matter on today's agenda and in these cases thus
18 far which is the creditor matrix motion which we seek to have
19 entered on a final basis.

20 That issue is only one component of the relief
21 requested which is the redaction of the personal identifiable
22 information on the publicly filed matrix. Your Honor, I will
23 be quick with this. We filed a reply to the U.S. Trustees
24 objection and we believe we have laid out our position in our
25 papers in detail.

1 To summarize the debtor's position, through this
2 relief the debtors are seeking to protect the physical and
3 financial safety of their employees and other individuals by
4 keeping their personal home addresses redacted exclusively on
5 the public version of the creditor matrix under Section
6 107(c) and other privacy laws.

7 Consistent with the discussion at the first day
8 hearing, through our reply, we sought to supplement the
9 record with a description of the consequences of filing an
10 un-redacted matrix. In addition, we filed the declaration of
11 Marc Liebman in support of the relief requested which is
12 attached to our reply as Exhibit A, Docket Number 113. Mr.
13 Liebman is present in the courtroom and at this point if it
14 would please the court we'd like to ask Your Honor to admit
15 the declaration of Mr. Liebman into evidence.

16 THE COURT: Does anyone object to the admission of
17 the declaration of Mr. Liebman?

18 MS. LEAMY: No objection, Your Honor.

19 THE COURT: All right. It's entered into evidence
20 subject to parties who wish to cross-examine.

21 MR. PETRIE: Thank you, Your Honor.

22 So, Your Honor, as demonstrated in our papers, the
23 side effects of publishing home addresses on the internet are
24 dangerous and real. We provided examples of the ways in
25 which people are put at risk.

1 First, with a simple Google search a stalker or
2 domestic abuser can locate their victim who likely has no
3 idea that their information is now public. Identity thieves
4 can official data mine information on thousands of people at
5 once and there are commercial side effects for the company as
6 well. First, there is the potential for poaching of the
7 company's skilled employees as well as an enormous fine from
8 the European Union if we compromise their citizens' personal
9 information.

10 We have engaged in discussions with the U.S.
11 Trustee and their stance surrounds transparency in the
12 bankruptcy process. We'd like to emphasize that there is no
13 dispute that transparency is essential to Chapter 11, but our
14 requested relief does not compromise that goal.

15 An un-redacted version of the matrix was provided
16 to the U.S. Trustee and to the court, and if any party in
17 interest had made a request for an un-redacted matrix we
18 would have sent one provided that it was related to these
19 Chapter 11 cases and not for an improper purpose. Our
20 proposed relief is very narrow and public access is preserved
21 by the methods that we have utilized.

22 Our proposed order does this through a method that
23 does not have dangerous side effects as well. These
24 prepackaged Chapter 11 cases, which I note Your Honor has
25 already confirmed, signify that every individual on the

1 matrix, whether they are employees or other creditors, are
2 being paid in full or their interest will be riding through
3 unimpaired. There is simply no reason now to put these
4 people at risk.

5 Courts in this district regularly grant this
6 relief and have recognized the danger of having personal
7 information public and easily accessible in the year 2020.
8 Your Honor has authorized redaction on a matrix in the past.
9 The relief requested here is no broader than what this court
10 granted in Celadon last month.

11 So, that summarizes the debtor's position. Does
12 Your Honor have any questions?

13 THE COURT: Let me ask you this question, why
14 aren't you seeking to redact all of the individual's home
15 addresses?

16 MR. PETRIE: So, actually, I was going to say that
17 as well. We would submit a revised proposed order that -- I
18 understand that the order that was submitted to the court
19 called out employees and European Union citizens I was going
20 to suggest that we change the defined term to encompass all
21 individuals including those who aren't active employees or
22 former employees.

23 THE COURT: All right. So, that's the scope of
24 the relief that you seek?

25 MR. PETRIE: Correct.

1 THE COURT: Okay.

2 MR. PETRIE: I --

3 THE COURT: Sorry to cut you off. Please
4 continue.

5 MR. PETRIE: -- was going to ask if you had any
6 other questions.

7 THE COURT: I do not.

8 MR. PETRIE: Okay. So, with that I will turn the
9 podium over to Ms. Leamy.

10 THE COURT: Okay. Thank you.

11 MS. LEAMY: Good morning, Your Honor.

12 THE COURT: Ms. Leamy, how are you?

13 MS. LEAMY: Thank you. Jane Leamy for the U.S.
14 Trustee.

15 Fortunately, we're the fly in the ointment here
16 causing this to be a non-consensual hearing. In any event,
17 Your Honor, we start with the presumption of public access to
18 court records. The bankruptcy rules require a matrix be
19 filed with the court at the start of the case containing the
20 name and complete address of each creditor.

21 I acknowledge this is a prepack case. Creditors
22 are being paid in full, but until they are paid in full I
23 suppose they're still a creditor in the case. So, that is
24 why we are here today.

25 The other issue Your Honor had just asked a

1 question about that, and I did want to address it. The
2 motion that was filed in this case on the first day and the
3 interim order that was entered only addressed employees.
4 When I saw the debtor's reply it appeared that they were
5 trying to expand the scope to all individual creditors and
6 the declaration that was filed at Docket 113 with the reply,
7 the declaration of Marc Liebman at Alvarez & Marsal, at
8 Paragraph 5 indicates that the creditor matrix lists over
9 9,000 creditors including approximately 240 employees, so,
10 it's a pretty limited scope of employees, approximately 7,000
11 individual creditors and interest holders, and approximately
12 10 individuals whose addresses are EU citizens.

13 So, it appears that the vast majority -- and if
14 you look at the matrix that has been filed the addresses are
15 redacted. So, it's not clear to me why the debtors seek to
16 expand so greatly the scope of redactions. I am not sure
17 that they have met their burden with respect to that.

18 Your Honor, 107 does allow sealing and
19 specifically 107(c) provides that the court may protect an
20 individual with respect to the following types of information
21 to the extent the court finds disclosure of such information
22 would create an undue risk of identity theft or other
23 unlawful injury. And included in that is any means of
24 identification. Section 102(a)(d)(7) of Title 18 defines
25 what means of identification is. It doesn't exclude

1 addresses, but it specifically delineates names, social
2 security number, date of birth, et cetera.

3 So, our position is that mailing addresses because
4 they are not enumerated as a means of identification means
5 that they can't be disclosed; although, we do acknowledge
6 that Your Honor in prior cases and other judges have allowed
7 redaction and have said that because its including it it's
8 not exclusive.

9 A lot of this information is probably already in
10 the public domain. Internet searches can find it especially
11 with respect to the customers or an individual creditor as
12 opposed to the employees. I think it's a little more
13 attenuated. Parties or the debtors have made the argument
14 that, you know, if there is a particular individual that, you
15 know, may be at risk of identity theft or stalking they want
16 to protect their address. And somebody may make the
17 connection that they're employed by Clover, I'm going to look
18 at the docket, I'm going to get the matrix. For a customer I
19 think it's more attenuated. Somebody is not going to
20 necessary know this person was a customer of Clover and I'm
21 going to go look up their address on the docket. So, I think
22 there is less reason for redaction for those individuals.

23 Again, Your Honor, we would ask you to focus on
24 the undue risk. I don't think the debtors have identified
25 here anything different from other cases where this

1 information has been disclosed. Certainly, we are not
2 opposed to redaction for any one that they specifically
3 identify where there is a risk. In other cases we have
4 consented to, obviously, patient information being redacted
5 due to HIPPA concerns, minors have also been permitted to be
6 disclosed.

7 Your Honor, if I could just briefly address the
8 European issue, European Union citizenship issue. I think
9 it's very limited here. The declaration identifies probably
10 only in the matrix 10 individuals. So, I don't want to spend
11 a lot of time on it. I'm not an expert on the GDPR that is
12 now the General Data Protection Regulation. I just want to
13 highlight a few things.

14 The GDPR protects the disclosure of personal data
15 which is any information relating to an identified or
16 identifiable natural person. We acknowledge that the debtors
17 are rightfully concerned that there is the risk of potential
18 fines; however, we think that there are couple reasons why,
19 you know, they shouldn't be concerned with that.

20 First, there is a legal claim exception where the
21 transfer is necessary for establishment, exercise or defense
22 of legal claims. Here, you know, the debtors have filed a
23 bankruptcy case and they're required by the rules to file a
24 matrix with the creditors name and address. So, we think
25 that that protects them here.

1 Second, the bankruptcy code is the controlling law
2 here not the GDPR. So, the court may not be bound by the
3 GDPR and, you know, this court's interest in enforcing the
4 bankruptcy code is superior to the GDPR.

5 So, Your Honor, we would request that the court
6 decline the request to redact.

7 THE COURT: Okay.

8 MS. LEAMY: Thank you.

9 THE COURT: Thank you, Ms. Leamy.

10 MR. PETRIE: Your Honor, may I reply to some of
11 those arguments?

12 THE COURT: Absolutely.

13 MR. PETRIE: Okay. Just in response to Ms.
14 Leamy's arguments, first, the point that the means of
15 identification doesn't contain mailing addresses it does
16 contain -- the defined term, first, is not meant to be
17 completely inclusive. Secondly, it does include a driver's
18 license.

19 As noted in a prior case in front of Judge Gross,
20 the real pertinent part of a driver's license that we want to
21 keep from the public is not their height, weight or anything
22 like that; it is their home address.

23 THE COURT: Speak for yourself. I don't want
24 someone to know my weight.

25 (Laughter)

1 MR. PETRIE: Yes. That also not an inclusive
2 list. We would like to keep that out the public sphere.

3 (Laughter)

4 MR. PETRIE: So, we don't believe that that
5 argument really carries the day here.

6 Further, I do think that the argument that the
7 creditors and individuals that aren't employees actually cuts
8 the other way. They are attenuated relationship to the
9 company actually makes it less likely that they're aware that
10 their information is being publicly disclosed and we have
11 gotten a lot of calls from stakeholders who are wondering
12 about their relationship to these cases.

13 Further, these dockets -- while the creditor
14 matrix on the claims agent website is search engine
15 optimized, so Googling these people could just have it come
16 up really regardless of whether somebody was specifically
17 looking for the creditor matrix on the docket.

18 On the GDPR points, as noted by Ms. Leamy, none of
19 us in the courtroom are experts on this. The danger for
20 these fines, which are enormous up to 20 million euro, are
21 not something that we think the estate should bear in some
22 sort of risky experiment taking exercise.

23 Further, I know that there is a necessary test for
24 this information to be released. I don't see how that test
25 would be met here especially since we have completely

1 administered the entirety of this case and given notice. To
2 say that this information needed to be in the public sphere
3 in order to reach confirmation is an argument that I don't
4 think would carry the day. Judge Gross actually noted in
5 Forever 21 that he does not believe it to be necessary as
6 well. Even the risk of those fines is not something that we
7 hope that our stakeholders or these estates should bear.

8 So, for those reasons we ask you to enter the
9 proposed form of order.

10 THE COURT: Okay. Well, I am prepared to enter
11 the proposed form of order with a few minor modifications and
12 I will overrule the U.S. Trustees objection as I have done
13 in, at least, two cases thus far; West Lake, which was a
14 Chapter 7 case, and you mentioned Celadon.

15 As I have held before I do find that names and/or
16 addresses are a means of identification. The combination of a
17 name and address to me is a means of identification under
18 Section 107(c) -- excuse me, 28 U.S.C. 1028(d)(7). I do find
19 there is an undue risk under 107(c) to redact the creditor's
20 matrix.

21 To me it is common sense. I don't need evidence
22 that there is, at best, a risk of identity theft and worse a
23 risk of personal injury from listing someone's name and
24 address on the internet by way of the court's electronic case
25 filing system and, of course, the claims agent's website.

1 The idea that a person needs to connect Clover or
2 the name of a debtor with an individual's name and then the
3 address I think misses the mark on how internet searches
4 work. If somebody wants information about someone they just
5 type the person's name on the internet. If data miners want
6 to collect address information they just simply pull the
7 creditor's matrix. This occurs on a fairly frequent basis
8 based on my understanding and experience.

9 The court can completely avoid contributing to the
10 risk by redacting the addresses. And while there is, of
11 course, an important right of access we routinely redact
12 sensitive and confidential information for corporate entities
13 and redact individual's home addresses. I find it quite
14 puzzling that the Office of the United States Trustee -- and,
15 Ms. Leamy, this is a comment not directed to yourself, but to
16 the Office of the United States Trustee that they have chosen
17 to challenge these requests targeted at protecting
18 individuals.

19 As the Supreme Court has acknowledged, courts have
20 the power over their records and files, and maybe deny access
21 to those records and files to prevent them from being used
22 for an improper purpose. To that end I am prepared to do so.

23 Individuals, of course, do not object and I don't
24 believe they would ever object to the redaction of their
25 addresses from the internet; that goes without saying. It

1 also goes without saying that they have not consented to the
2 sharing of this information. If they submit a proof of claim
3 that could be seen differently.

4 Moreover, where is the prejudice to the
5 administration of these cases or to the participating
6 parties. I cannot fathom a use or, excuse me, a meaningful
7 bankruptcy use for this information other than, perhaps, a
8 venue transfer motion and, of course, notice and
9 solicitation, but given the debtor's representation that they
10 would share the addresses if the requesting party wants them
11 for a bankruptcy purpose then this concern to me is rendered
12 moot.

13 Like I said, I am prepared to enter the debtor's
14 request and I will expand it to all individuals addresses,
15 not just employee addresses and those European Union
16 citizens, but I do want you to build in a mechanism whereby
17 parties are able to file a motion to request the information
18 that's been redacted and given them the opportunity to tell
19 me why they want it.

20 I think that strikes a fair balance between public
21 access and the privacy concerns associated with such a far
22 reaching public disclosure of the individual's name and
23 address information.

24 MR. PETRIE: Thank you, Your Honor. We will build
25 those procedures in and submit a revised proposed order to

1 the court. We will also run those past the Office of the
2 U.S. Trustee to see if they have anything to contribute.

3 THE COURT: Thank you. I would appreciate that.

4 MR. PETRIE: Thank you, Your Honor.

5 That brings us to the end of today's agenda. We
6 would like to just repeat a thank you to you and your Chamber
7 staff for helping us with this and accommodating us on such
8 short notice for this case, and for the truncated timeline
9 that we had. For everyone in the courtroom we would just
10 like to reiterate our thanks for helping us reach this
11 outstanding conclusion.

12 THE COURT: Congratulations to you all.

13 MR. PETRIE: Thank you very much.

14 THE COURT: It seemed to be a momentous task and
15 you accomplished it. You're my second confirmed case and it
16 was a pleasure, a quick pleasure, but I'm sure I will see you
17 again soon.

18 We will stand adjourned. Thank you.

19 (Proceedings concluded at 11:35 a.m.)

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CERTIFICATE

I certify that the foregoing is a correct transcript from the electronic sound recording of the proceedings in the above-entitled matter.

/s/Mary Zajaczkowski
Mary Zajaczkowski, CET**D-531

January 22, 2020